UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/CN.10/163
10 May 1991

ORIGINAL: ENGLISH

DISARMAMENT COMMISSION
1991 substantive session
New York, 22 April-13 May 1991
Agenda item 7

THE ROLE OF SCIENCE AND TECHNOLOGY IN THE CONTEXT OF INTERNATIONAL SECURITY, DISARMAMENT AND OTHER RELATED FIELDS

Conversion of military resources to civilian purposes

Working paper submitted by Canada

With the decline in East-West tensions, the signature of disarmament agreements such as the Treaty on Intermediate-Range Nuclear Forces (INF) and the Treaty on Conventional Armed Forces in Europe (CFE), and the near-term prospect of further negotiated reductions in weapons and military personnel, issues related to the conversion of military resources to civilian purposes are starting to figure more prominently on national and international agendas. This will continue as disarmament proceeds to deeper levels.

In Canada's view, the increased interest in conversion as an objective is to be applauded. Continuing high levels of defence expenditure and production amid ongoing arms reduction can work at cross-purposes to the goal of reducing political and military tensions. Furthermore, they can increase the likelihood of excessive quantities of arms being transferred to areas outside the scope of conventional arms control agreements, with the danger of exacerbating potential or actual hostilities.

In the long run, conversion offers many economies the prospect of significant cost savings, a more productive use of resources and the improved satisfaction of consumer needs. In the short-to-medium run, however, conversion can pose enormous challenges to policy makers and affected firms and individuals. Although the concept is straightforward, its application entails many complexities. Given the relatively small proportion of our economy devoted to military expenditure and production, Canada will not experience as much difficulty in this regard as might some other Member States.

Conversion can be broken down into three main categories. The first involves finding a civilian use for surplus or prohibited military equipment, as in the traditional image of beating swords into ploughshares. Conversion of this type is easiest with transportation, communications and information-processing equipment; it is more difficult with equipment such as tanks, artillery pieces and fighter aircraft. Both the INF and CFE Treaties provide for the conversion of certain Treaty-affected items to peaceful uses. Canada believes that disarmament agreements should allow for the possibility of conversion of limited or prohibited equipment where practicable, while ensuring that any such conversion will be irreversible and verifiable. In addition, Canada believes that all Member States should explore opportunities for using the remnants of discarded or destroyed military equipment to benefit civilians, such as the August 1990 initiative of the United Nations Observer Group in Central America (ONUCA) to transfer scrap metal from destroyed weapons for conversion into artificial limbs.

The second category of conversion involves the disposition of demobilized military personnel. Where small numbers are concerned, existing mechanisms may be adequate to deal with the needs of affected soldiers. In other cases, additional efforts may be required to provide pensions or retraining and assistance in finding new employment as necessary. Special initiatives may also be needed to facilitate the adjustment of local economies affected by the closing of military bases or facilities.

The third category involves the partial or full transformation of military production lines into the production of civilian goods. This is likely to require major adjustments in some Member States, particularly those in which the defence sector forms a large part of the national economy. Workers will have to be retrained, factories retooled or closed, new markets identified and established. This may entail considerable expense and hardship, and the difficulties will be compounded in States that are simultaneously undergoing a process of national economic reform.

At the level of the individual firm, adjustment will pose the fewest problems for companies already producing goods or technologies with ready non-military applications. It will prove more difficult in cases where military industries have been rigidly separated from the civilian sector. In these instances, Member States might consider the benefits of reducing the secrecy that traditionally surrounds defence research, development and production. Increased openness could make it easier to find appropriate uses for defence sector expertise in the civilian sector and could facilitate the flow of information and technology between the two sectors.

Since the extent of the conversion necessary varies a great deal from economy to economy, and since there are significant differences of circumstances in each country, community, industry and enterprise, there appears to be no globally applicable solution to the problems posed by the requirement of conversion. Whether or to what degree a national conversion plan and legislative framework is necessary; whether or to what degree it is more appropriate to let conversion occur on its own, driven by market forces;

whether or to what extent additional support should be extended to vulnerable firms, workers and communities; these and similar questions are best answered at the national, regional or local level, on a case-by-case basis.

Notwithstanding the above, there is clearly scope for a sharing of ideas and experience among those countries facing conversion challenges. The United Nations conference entitled "Conversion: Economic Adjustments in an Era of Arms Reduction", held in Moscow in August 1990, provided an excellent example of the value of exchanging views not only among Governments but also among international bodies, non-governmental organizations, academics and industry representatives on various aspects of the reallocation of resources from military to civilian purposes. This conference pointed to the need for further careful study of the technical, political, social, psychological and macro-economic aspects of conversion. Canada hopes that Member States will encourage such study and will explore ways to exchange information and promote international dialogue about conversion, with a view to facilitating the formulation and successful implementation of national policies.